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2 **STATE OF OREGON**  
3 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
4 **DIVISION OF FINANCE AND CORPORATE SECURITIES**  
5 **MORTGAGE LENDING SECTION**

6  
7 **BEFORE THE DIRECTOR OF THE DEPARTMENT**  
8 **OF CONSUMER AND BUSINESS SERVICES**

9 **In the Matter of:**

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11 **1<sup>st</sup> Maryland Mortgage Corporation**  
12 **NMLS # 36659**

13 **M-11-0099**  
14 **ORDER TO CEASE AND DESIST,**  
15 **ORDER ASSESSING CIVIL PENALTIES,**  
16 **AND**  
17 **CONSENT TO ENTRY OF ORDER**

18 **Respondent.**

19 **WHEREAS** the Director of the Department of Consumer and Business Services for the  
20 State of Oregon (hereinafter “the Director”) conducted an investigation of 1<sup>st</sup> Maryland  
21 Mortgage Corporation (hereinafter “1<sup>st</sup> Maryland”) and determined that 1<sup>st</sup> Maryland engaged in  
22 activities constituting violations of 86A.100 et seq. and OAR 441-850-0005 through 441-885-  
23 0010 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

24 **WHEREAS** 1<sup>st</sup> Maryland wishes to resolve and settle this matter with the Director,

25 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on this order,  
26 1<sup>st</sup> Maryland hereby **CONSENTS** to entry of this order upon the Director’s Findings of Fact and  
27 Conclusions of Law as stated hereinafter:

28 **FINDINGS OF FACT**

29 The Director **FINDS** that:

30 1. 1<sup>st</sup> Maryland Mortgage Corporation (hereinafter “1<sup>st</sup> Maryland”) is a Maryland  
31 corporation first registered with the Oregon Secretary of State on August 19, 2010.

32 2. 1<sup>st</sup> Maryland obtained an Oregon mortgage broker license from the Division  
33 of Finance and Corporate Securities (hereinafter the “Division”) on September 8, 2010.

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387





1           3. 1<sup>st</sup> Maryland's principal place of business is listed as 1922 Greenspring Drive,  
2 Suite 4, Timonium, Maryland 21093.

3           4. In 2011, the Nationwide Mortgage Licensing System (hereinafter "NMLS") released  
4 the mortgage call report (hereinafter "MCR") functionality. The MCR includes a licensed  
5 mortgage broker's Residential Mortgage Loan Activity (hereinafter "RMLA") that is compiled  
6 and submitted by the company to NMLS on a quarterly basis.

7           5. The intent was for licensed companies to gather data for the first quarter  
8 of 2011 (hereinafter "Q1"), and Q1 reports would be due 45 days after the end of Q1.

9           6. The NMLS online Resource Center provided the following time frames and due  
10 dates for licensed companies' MCRs. Q1 data dates from January 1 through March 31, and the  
11 MCR is due on May 15, 2011. Quarter two (hereinafter "Q2") data dates from April 1 through  
12 June 30, and the MCR is due on August 14, 2011.

13           7. On January 12, 2011, the Division sent an e-mail to the e-mail address of record in  
14 NMLS to each Oregon licensed mortgage broker notifying them of the MCR requirements.

15           8. In this case, the email was sent to [licensing@greatoaklending.com](mailto:licensing@greatoaklending.com) which has been  
16 the e-mail address of record for 1<sup>st</sup> Maryland at all times relevant to this order.

17           9. On February 17, 2011, the Division sent an e-mail to 1<sup>st</sup> Maryland noting that the  
18 MCR Q1 was due by May 15, 2011.

19           10. On March 9, 2011, the Division sent an e-mail to 1<sup>st</sup> Maryland notifying the  
20 company that the Winter 2011 newsletter was available on the Division's website. The Winter  
21 2011 newsletter included an article notifying companies of the MCR requirements.

22           11. In the Spring of 2011, the Division published the Spring newsletter which is mailed  
23 to all licensed mortgage brokers and posted on the Division's website. The Spring newsletter  
24 included information notifying the companies employing mortgage loan originators that they  
25 were required to file a quarterly MCR with Q1 data for 2011 in NMLS.

26           12. Due to some technical difficulties NMLS experienced in processing the MCRs, on



1 May 2, 2011, the Division sent an email to 1<sup>st</sup> Maryland notifying that the deadline to file the Q1  
2 MCR was extended to August 14, 2011. This was also the deadline for the Q2 MCR.

3 13. On May 13, 2011, the Division again sent an e-mail to 1<sup>st</sup> Maryland notifying them  
4 that the new deadline to file the Q1 MCR was extended to August 14, 2011.

5 14. Since 1<sup>st</sup> Maryland had not filed Q1 MCR in July 2011, the Division placed a  
6 deficiency in NMLS notifying the company of the Q1 MCR requirement that was due on August  
7 14, 2011.

8 15. On July 14, 2011, the Division sent an e-mail to 1<sup>st</sup> Maryland notifying them of the  
9 Q1 MCR requirement due on August 14, 2011.

10 16. In the beginning of August 2011, NMLS released data showing that 1<sup>st</sup> Maryland  
11 had not filed the required RMLA for Oregon specifically.

12 17. On August 2, 2011, the Division placed a deficiency in NMLS notifying the  
13 company of the requirement to file the Q1 RMLA for Oregon. Also on that date, the Division  
14 sent 1<sup>st</sup> Maryland an email notifying them to file the Q1 RMLA for Oregon.

15 18. On August 17, 2011, the Division sent 1<sup>st</sup> Maryland a letter to the address of record  
16 in NMLS notifying them that they are required to file Q1 RMLA for Oregon. The letter reported  
17 that if 1<sup>st</sup> Maryland did not file by September 23, 2011, the matter would be referred for  
18 enforcement action.

19 19. 1<sup>st</sup> Maryland filed the RMLA for Oregon on October 12, 2011.

## 20 CONCLUSIONS OF LAW

21 The Director CONCLUDES that:

22 1. By failing to file the Q1 MCR including RMLA for Oregon in NMLS by August 14,  
23 2011 after being notified to do so numerous times, 1<sup>st</sup> Maryland violated ORS 86A.239(2).

## 24 ORDERS

25 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

26 The Director, pursuant to ORS 86A.127, hereby ORDERS 1<sup>st</sup> Maryland to Cease and

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1 Desist from violating Oregon's Mortgage Lender Law.

2 The Director, pursuant to ORS 86A.992, hereby ORDERS 1<sup>st</sup> Maryland to pay a  
3 civil penalty of \$1,000 for the violation of ORS 86A.239(2).

4 Dated this 9 day of November, 2011.

5 SCOTT L. HARRA, Acting Director  
6 Department of Consumer and Business Services

7 /s/ David Tatman  
8 David C. Tatman, Administrator  
9 Division of Finance and Corporate Securities

9 **ENTITY CONSENT TO ENTRY OF ORDER**

10 I, Joshua B. Shein, state that I am an officer of 1<sup>st</sup> Maryland, and I am authorized to act  
11 on its behalf. I have read the foregoing order and that I know and fully understand the contents  
12 hereof. I have been advised of the right to a hearing and of the right to be represented by  
13 counsel in this matter. 1<sup>st</sup> Maryland voluntarily and without any force or duress consents to the  
14 entry of this order expressly waiving any right to a hearing in this matter. 1<sup>st</sup> Maryland  
15 understands that the Director reserves the right to take further actions to enforce this order or to  
16 take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law,  
17 and that 1<sup>st</sup> Maryland will fully comply with the terms and conditions stated herein.

18 1<sup>st</sup> Maryland further assures the Director that neither 1<sup>st</sup> Maryland, nor its officers,  
19 directors, employees, or agents will effect mortgage transactions in Oregon unless such  
20 activities are in full compliance with the Oregon Mortgage Lender Law. 1<sup>st</sup> Maryland  
21 understands that this Consent Order is a public document.

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Dated this 3rd day of November, 2011, at Baltimore Maryland.

By Joshua B. Shein

Owner  
Office Held

**ENTITY ACKNOWLEDGMENT**

There appeared before me this 3rd day of November 2011, Joshua B. Shein, who was first duly sworn on oath, and stated that (s)he was and is an officer of 1<sup>st</sup> Maryland and that (s)he is authorized and empowered to sign this Consent to Entry of Order on behalf of 1<sup>st</sup> Maryland and to bind 1<sup>st</sup> Maryland to the terms hereof.

Notary Public for the State of Maryland  
My commission expires: 5/4/2014

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